

**Meeting Summary**  
**Otay Ranch POM PMT Meeting**  
County Administration Center, Room 302/303  
1600 Pacific Highway  
San Diego, CA 92101

May 13, 2009  
1:30 – 3:30 pm

**Approved by POM PMT on 09/30/09**  
**Motion to approve by County of San Diego/CHANDRA WALLAR**  
**Motion Seconded by City of Chula Vista/GARY HALBERT**  
**Motion carried.**

**ATTENDEES:**

**City of Chula Vista**

Gary Halbert, Deputy City Manager  
Jill Maland, Deputy City Attorney  
Marisa Lundstedt, Principal Planner  
Josie McNeeley, Associate Planner  
Amy Partosan, Administrative Analyst

**County of San Diego**

Chandra Wallar, Deputy Chief Administrative Officer, Land Use & Env. Group  
Mark Mead, County Counsel  
Renée Bahl, Director, Department of Parks and Recreation (DPR)  
LeAnn Carmichael, Planning Manager, Department of Planning and Land Use  
Cheryl Goddard, Land Use Environmental Planner, DPR

**Public** (*per attached sign-in sheet*)

Amber Himes, U.S. Fish and Wildlife Service  
Libby Lucas, CA Department of Fish and Game  
Curt Noland, Otay Land Company  
Bob Penner, Otay Land Company  
Justin Craig, McMillin Companies

Agenda Item Numbers noted in parentheses

**1. Call to Order**

**(I.)** Meeting called to order at 1:38 pm by County of San Diego/CHANDRA WALLAR.

2. **(II.)** City of Chula Vista/GARY HALBERT motioned to approve the meeting minutes. Motion seconded by WALLAR. Motion carried.

3. **Public Comment on items not related to Agenda**  
**(III.)** WALLAR opened and closed with no comment.

4. **Status Report**

**(IV.A.)** City of Chula Vista/JOSIE MCNEELEY reported on the Preserve Steward/Biologist Scope of Work and Contract. Pursuant to the last Special PMT meeting held in March, POM staff revised the scope of work. At that time, the City of Chula Vista agreed to administer the contract. The Request for Proposal has been advertised and will be out for approximately 3 weeks. POM staff anticipates reviewing submittals by the end of the month and the Biologist on board in July.

HALBERT thanked POM staff for working on the scope of work and contract so quickly since the last PMT meeting.

**(IV.B.)** County of San Diego/CHERYL GODDARD reported on future POM alternatives. A Working Group meeting was held on March 24<sup>th</sup> to discuss the alternatives. The Group mainly focused on Preserve lands east of Otay Lakes. The Wildlife Agencies' land managers including Andy Yuen and Jill Terp from the National Wildlife Refuge and Tim Dillingham from the Dept. of Fish and Game were in attendance. They shared a willingness to take over management of lands east of the lakes. Subsequent to the Working Group meeting, POM staff attended the Land Managers Coordination meeting held May 12<sup>th</sup>. Land managers from the Wildlife Agencies, BLM, and the City of San Diego Water Department were in attendance. The land managers at this meeting were all receptive to the idea of managing the Preserve lands east of the lake. POM staff has also drafted Implementation Steps and Timelines. The next steps for POM staff is to schedule a follow-up meeting with the Resource Agencies, schedule a Working Group meeting to flush out alternatives, and to provide a recommendation to the PMT and PC at their next regularly scheduled meetings ranking the order of preference of alternatives. The next meetings are anticipated to take place this August and September.

WALLAR stated that it appears there have been good discussions for lands east of the lakes which is great.

GODDARD stated yes and that out of the 11,000+ acre Otay Ranch Preserve, lands east of the lakes accounts for approximately 8,500 acres.

HALBERT directed POM staff to look at the alternative POM structures as if the lands east of the lakes are to be transferred to other agencies. Currently the

POM Alternatives table does a good job describing alternatives as if the lands aren't going to be transferred to other agencies.

GODDARD stated POM staff would do so.

WALLAR stated that POM staff should move as quickly as our partners are comfortable to make agreements to have lands east of the lakes transferred for management.

GODDARD stated that POM staff will continue to actively work with the agencies. A site visit with the various land managers is anticipated for mid-June and a follow-up meeting with them is scheduled for July 23<sup>rd</sup>.

**(IV.C.)** GODDARD reported on Preserve access issues. The POM requires legal and physical access to conveyance lands before it will accept fee title to it. McMillin Companies and Otay Ranch Company have proposed conveyance lands which are currently accessed through an existing dirt road which traverses across City of San Diego Water Department and Dept. of Fish and Game lands. POM staff sent Right of Entry request letters to the City of San Diego and the Department of Fish and Game on April 28<sup>th</sup>. At the Inter-agency Land Managers meeting, Karen Miner of the Dept. of Fish and Game and Niki McGinnis of the City of San Diego Water Department both said that they would be able to review the request this week and would hopefully have a response the following week.

WALLAR asked if there any issues with issuing the right of entry such as if there were fees involved to process the request.

GODDARD stated that the City of San Diego Water Department typically charges \$600 to process right of entry requests. Speaking to Niki yesterday, she thinks she can write a statement of benefit that would allow the Department to waive the fee. Niki will have to verify this with their Real Estate Division.

HALBERT stated that WALLAR and he just discussed that if there is a fee involved that the City and County could split the cost.

WALLAR directed POM staff to keep HALBERT and herself updated before the next PMT meeting via email as to the progress of obtaining the right of entry. If their assistance is needed to contact the Water Department or the Dept. of Fish and Game, they are available to do so.

**(IV.D.)** GODDARD reported on the proposal to vacate and substitute conveyance lands north of Village 13/Resort site. Otay Ranch Company has offered ~963 acres of conveyance lands via an Irrevocable Offer of Dedication (IOD) and recorded Opens Space Easement. The IOD has been acknowledged by the POM but has not been accepted due to the proposed development and Preserve boundary modifications associated with the Village 13 entitlement and permitting

process. Otay Ranch Company has expressed that their reasons for proposing to vacate and substitute the conveyance lands is to allow the POM to accept fee title to the conveyance land. The substitution land is located within the San Ysidro Parcel. Once the land conveyance land is vacated and replaced, Otay Ranch Company is proposing to use that area as the conveyance obligation associated with the Village 13 development project.

WALLAR asked for the timeframe on this proposal.

GODDARD stated that Otay Ranch Company is in the process of putting together their application and anticipates the application to be submitted to the County and the City within the next few weeks. The County's Department of Planning and Land Use will process the application for the County. Speaking a planner at the department, it will likely take 2-3 months to get the project to a Board of Supervisors hearing.

WALLAR asked if Village 13/Resort Site will have impacts on the replacement and substitution.

ROB CAMERON stated that there will not be any impacts to the substitution lands. There will be impacts to the area being vacated as associated with the Resort Site project however the vast majority will remain as preserve.

WALLAR asked if the replacement and substitution will cause any duplication in effort.

CAMERON stated no.

HALBERT asked if there will be a new Preserve design based on the proposed vacation and substitution.

CAMERON stated that the Preserve design will not change based on the vacation and substitution process. The exact same acreage that is proposed will be conveyed as substitution land. As a part of the Resort project there will be Preserve modifications. Ultimately, the Resort site will convey its conveyance obligation within the area that is currently being proposed for vacation.

GODDARD stated that any impacts to the Preserve associated with the Village 13/Resort Site project will be discussed and analyzed in its EIR.

**(IV.E.)** GODDARD reported on the Phase 2 Resource Management Plan (RMP) Update. POM staff has been working with the Otay Ranch Company who has submitted an updated version at the end of 2008. The changes include updating figures, including the Preserve boundary to make the County and the City's boundary consistent, including development/Preserve acreage accounting to-

date, includes budget assumptions, and actions taken by the Policy Committee, the Board of Supervisors, and City Council to-date. POM staff met with Otay Ranch Company in February to discuss the changes and has a follow-up meeting scheduled for June 4<sup>th</sup>. POM staff will return to the PMT and PC and provide a recommendation to direct staff to docket the item for Board of Supervisors and City Council action.

WALLAR stated that she would like to move quickly on the update. WALLAR asked if bringing the item back to the PMT and Policy Committee will delay the process.

GODDARD stated that it would not slow the process down. After POM staff has a draft final version written, it is envisioned that the selected Preserve Biologist will review the written draft final and assist in the technical aspects of the Biota Monitoring Program. As mentioned by MCNEELEY, the Preserve Biologist is anticipated to be selected by the end of July.

City of Chula Vista/MARISA LUNDSTEDT stated that most of the changes submitted by Otay Ranch Company are a clean-up effort to bring the document up-to-date. Nothing significant has changed.

WALLAR stated that if there are no significant changes, the PMT should leave itself open to not having POM staff bring back the document for PMT review.

HALBERT made a motion that Phase 2 RMP not return back to the PMT but instead move forward to the Policy Committee.

WALLAR concurred and seconded the motion.

GODDARD stated that moving Phase 2 RMP forward to the Policy Committee wouldn't save any time since there is a PMT meeting that is typically scheduled prior to the Policy Committee meetings.

WALLAR asked if it was necessary for the Policy Committee to review the document or could it go straight to the Board of Supervisors and City Council if POM staff is in consensus.

HALBERT stated that he was not comfortable with making that motion. The Policy Committee may make that motion at their next meeting scheduled for May 29<sup>th</sup>.

WALLAR asked for clarification. Is the direction for POM staff to have Phase 2 RMP ready to go by our next PMT meeting so that it is ready for the Policy Committee to provide direction on?

HALBERT stated no. The direction is that POM staff does not need to return to the PMT with the updated Phase 2 RMP document and that the Policy Committee can make a similar motion if they desire to do so at their May 29<sup>th</sup> meeting.

WALLAR agreed.

GODDARD stated that POM staff would note that there should be a discussion at the May 29<sup>th</sup> Policy Committee regarding whether Phase 2 RMP should return to the Policy Committee or not prior to docketing to the Board of Supervisors and the City Council.

## **5. Future Infrastructure**

**(V.)** GODDARD reported on future infrastructure. POM staff and County and City legal counsels attended a mediation session with retired judge May on April 17<sup>th</sup>. At the outcome of the mediation session, the mediator recommended that POM staff amend the JPA and any related policy documents to clarify that each respective entity is to control the siting of future infrastructure facilities on Preserve land which is within their respective jurisdictions and that siting decisions should occur only after requesting, receiving, and considering recommendations from the POM. It is POM staff's recommendation to implement the mediators written recommendation date April 21, 2009 as a part of the Phase 2 RMP update; direct legal staff to continue coordination on language to be included in conveyance documents which grants an easement for future facilities to the jurisdiction in which the facility is to be located; and if consensus is reached amongst legal staff, POM staff may proceed with acceptance of conveyance lands in which future infrastructure is the only outstanding issue.

City of Chula Vista/JILL MALAND stated that the mediator's recommendation included amending the JPA which will require action from the City Council and Board of Supervisors. MALAND asked for direction for the legal counsels to work through JPA amendment language, language to be included in conveyance transfer documents, and the process in which the POM is to provide its recommendation on the siting of the infrastructure.

HALBERT made a motion to provide direction to legal counsels to work on language to implement the mediator's recommendation.

WALLAR seconded the motion. WALLAR asked how many pending conveyance acres are being held up by future infrastructure alone.

GODDARD stated 114 acres.

CAMERON asked for clarification regarding POM staff's recommendation. The mediator's recommendation was for each jurisdiction to have authority over the

siting of future facilities within their jurisdiction but it is staff's recommendation to come to agreement on language to amend the JPA and to be included in the conveyance documents. POM staff had to go to mediation because they couldn't come to an agreement. Are we back to where we started?

WALLAR stated that the County and the City are now in agreement that each jurisdiction is to have authority over the siting of future infrastructure within its own jurisdiction. The legal counsels will need to define the language to be included in the JPA and conveyance documents that relay that thought.

CAMERON asked if the City has come up with language that is acceptable to them, does the County have any say in it?

County of San Diego/MARK MEAD stated that the County and the City are working on language that is acceptable to both jurisdictions. We are close to coming to agreement.

CAMERON stated that there is no agreement in place.

MEAD stated that we are close to coming to an agreement.

CAMERON stated that POM staff has been working on language over the last 2 years.

GODDARD stated that the County has worked off the language proposed by the City. The County has provided comments to the City in that the County is concerned that the language only addresses biological resources through compliance of the City's MSCP and the County has requested that indemnification language for the County be added to the language for lands located within the City's jurisdiction.

MALAND stated that we are now closer to agreement in the sense that both jurisdictions agree that each entity is to have control over the siting of future infrastructure within their jurisdiction. Now it is a matter of coming to agreement on how to implement the mediator's recommendation and that is what MEAD and MALAND are in the process of doing. The County and the City are close to coming to agreement.

CAMERON stated that he was glad to hear the County and the City are close to reaching an agreement. It is concerning that even after mediation the County and the City still need to reach consensus on language even though the mediator rendered his recommendation.

HALBERT stated that the County and City couldn't come to consensus on how to implement the JPA and the mediator's recommendation is to clarify the JPA and



other policy documents. It isn't the same issue at all and it appears that staff is close to reaching an agreement.

LUNDSTEDT stated that its staff's recommendation to allow legal staff to work through language so that POM staff doesn't have to come back through the PMT and Policy Committee before moving forward with acceptance of the pending conveyance lands in which future infrastructure is the only outstanding issue. Prior to the mediation session there was not consensus on whether or not language should even be included on the conveyance documents. Now we have consensus to include language and that is what legal counsel is working on. It is more word-smithing than anything else.

CAMERON stated that he takes comfort in hearing the County and City are close to agreement from both the legal staff and POM staff.

WALLAR stated that she still has some concerns over the philosophy of this issue but there is agreement that we have spent a lot of time on the issue and it's not worth any more time to spend on it. The County may not agree with the basic philosophy but it's not worth the additional effort and we need to move forward.

RANIE HUNTER asked if the JPA needed to be amended before the pending conveyance lands could be accepted.

GODDARD stated no. Once there is agreed to language included in the conveyance document, it will allow the County and the City to move forward with accepting the fee title transfer.

MALAND stated that we are trying to take the approach that would not delay acceptance. Although we will need to amend the JPA it is not required to accept the lands.

LIBBY LUCAS asked if there are any infrastructure that could be linear and traverses through both jurisdictions.

GODDARD stated that future infrastructures are those we aren't aware of at this time. There is always a possibility that a facility could traverse through both jurisdictions but we are not aware of any to-date.

LUCAS asked how the mediator's recommendation could be implemented if the facility traversed through both jurisdictions.

WALLAR stated that it was contemplated and that's why both jurisdiction aren't comfortable. We will have to address that issue if and when it occurs. At this time we do not know of any such project.



HALBERT stated that if it were to occur, the same issues would arise even if the Preserve there. If infrastructure needs to cross jurisdictional boundaries, you will need to work with the other jurisdiction.

GODDARD clarified that as a part of POM staff's recommendation, we would be moving forward with the JPA amendment as a part of the Phase 2 RMP update as both require Board of Supervisors and City Council action.

WALLAR stated that the JPA amendment would not hold up acceptance of pending conveyance.

GODDARD stated that is correct.

## **6. Finance**

**(VI.A.)** MCNEELEY reported on the FY08-09 Budget Actuals. The beginning fund balance for CFD 97-2 was \$376,818. The estimated budget for FY08/09 was \$505,000. The City levied for \$510,339. As of May 12<sup>th</sup>, the revenues received totals \$392,082. Expenditures to-date is \$140,954 with additional expenditures expected before the end of the fiscal year. The current fund balance is \$642,965. For this fiscal year, we have expended the administrative portion of the budget. As we discussed, we have been addressing the future infrastructure issues and there have been new legal staff assigned to the project this year so it was a matter of getting staff up to speed. As we look towards the 4<sup>th</sup> quarter we will be cautious in the administrative charges however keeping in mind that we will be working on amending the JPA and the future infrastructure language to be included in the conveyance documents. Preserve Operations and Maintenance total through Quarter 3 is ~\$23,500. Fencing and signage was not needed through Quarter 3. Under Resource Monitoring, POM staff anticipates expending \$340,000. The budget currently lists the line items under this category as Biological Resources: Expanded/Enhanced Baseline Survey OR Active Management; Biological Resources On-going; and Baseline Survey. Since we now have an approved Scope of Work for a Preserve Steward/Biologist, the money listed for those line items will be used to fund the Preserve Steward/Biologist contract and will be rolled over to the following fiscal year. Expenditures through Quarter 3 totals ~\$141,000. Expected expenditure for Quarter 4 is projected at ~\$46,500.

WALLAR asked for an updated regarding CFD 97-2 collections.

MCNEELEY stated that as of May 12<sup>th</sup>, \$392,082 has been collected. This includes payments for both the first and second installments. Looking at the 5-year projected budget table, a 21% delinquency has been factored in. That is looking at just the first installment. For the first installment, staff anticipated

collection of \$255,000. Collections were short of that by ~\$21,000. The second installment was due April 10<sup>th</sup>. It has only been a few weeks since that due date. Additional payments from delinquent owners is anticipated. For example, last year an 8.17% was factored in as the delinquency rate. The City's finance staff has updated that number and through additional collections through the year, the delinquency rate has dropped to 2.5%. We continue to see a drop in the delinquency rate from this year and the previous years.

WALLAR asked if staff will be proposing reductions in the budget to account for the delinquency.

MCNEELEY stated that City POM staff has spoken with the City's Finance staff and at this point it's too early to factor in the delinquency rate. With the FY 09-10 budget a delinquency rate was factored in and adjusted accordingly. Seeing as 79% of the CFD installments has been collected, the City anticipates collecting the remainder amount. With the first installment, a 21% delinquency rate has been factored in. This is a dollar amount delinquency rate. Finance staff also determines a parcel delinquency rate. Currently the City levies 10,212 parcels. Of those 10,212 parcels, only 864 parcels have not paid. This is an 8.5% by parcel delinquency rate. We need to look at both delinquency rates - the 21% dollar amount and the 8.5% by parcel amount to see the complete picture. The 21% dollar amount is tied to a few owners. A fair amount of the delinquent dollar amount is also tied to larger developers. Once the delinquency amounts are paid, the delinquency rates will also be reduced.

HALBERT stated that the number of Notices of Default have skyrocketed over the last two months and the delinquency rate may grow slightly. The good news is that properties are turning over fairly quickly. The number of parcels in default shouldn't pick up much more than where it is right now. Also there is a concern of default from the larger developers and the City is actively pursuing those payments. Hopefully we will be in better shape the next time we meet. Another observation on the budget is that the vast majority of expenditures to-date has been on administrative costs. Once the Preserve Steward/Biologist is hired, the money should be spent on work completed in the field. Hopefully that will turn around this year and in the future it would be nice to see the administrative costs drop to around the 15% mark rather than be at 25%.

GODDARD stated that POM staff is actively working on the POM Alternatives and the Phase 2 RMP Update. There may not be a drop in administrative costs until these documents are completed and the Preserve Steward/Biologist is on board and up-to-speed on the Preserve.

**(VI.B.)** MCNEELEY reported on the revised FY09-10 budget. The FY09-10 budget was presented to the PMT the at their January 23<sup>rd</sup> meeting. A handout has been included that shows the changes made to the FY09-10 budget

presented at the January meeting and the revised budget being presented at today's meeting. At the March special PMT meeting, the PMT directed staff to use identified rollover funds for the Preserve Steward/Biologist contract. The funds that were associated with Park Ranger, Preserve Operation and Maintenance, and Resource Monitoring have now been allocated to the Preserve Steward/Biologist. The total budget numbers remain the same. The line items have been adjusted per PMT direction at their March 17, 2009 meeting.

AMBER HIMES asked if any funds have been expended for fencing or signs.

GODDARD stated that to-date, funds have not been expended for fencing or signs however the cost for new signage is anticipated. The new signs will identify environmentally sensitive areas and will be co-located with signs prohibiting off-road vehicle use in the Salt Creek POM managed property.

**(VI.C.)** MCNEELEY reported on the updated 5-year POM budget projection. The 5-year budget has been updated to reflect the current number of taxable parcels which is currently 10,212; delinquency rate for the first installment, which is currently 21%; and the cost to implement the Preserve Steward/Biologist contract. Staff will update the 5-year budget with updated numbers including the delinquency rate. As currently shown, we will need to dip into the reserve significantly if we continue at this rate.

WALLAR stated that we will definitely need to keep the delinquency rate updated. Additionally, at future meetings, the PMT will be relying on staff to make recommendations on the budget to insure that the reserve amounts are at the appropriate level.

MCNEELEY stated that City Finance staff recommended reviewing the 5-year budget annually every August or September when the tax roll has been with the County for an entire year. The timing will provide for a more accurate average delinquency rate to apply towards the following fiscal years.

WALLAR stated that the next time we meet, staff should have the analysis completed and a recommendation on how to get the reserve to the required 50% level.

MCNEELEY stated that the projected budget proposal for Operational Expenditures and Survey Expenditures will be updated annually. As a footnote to the budget, the Preserve Steward/Biologist will complete an annual work plan identifying priority projects. As the priority projects are identified and POM staff agrees they need to be completed, the budget will be adjusted.

HALBERT stated projecting a 5-year budget which assumes no-growth in the number of taxable parcels and a default rate of 21% is very unrealistic. It is

better to project out a couple of years. Looking too far out with all the assumptions may be too unrealistic. Looking at the reserves should be a short-term focus.

WALLAR stated she agreed. If the FY09-10 budget needs to be adjusted based on the delinquency rate, it should be adjusted as early as possible.

MCNEELEY stated staff did adjust the FY09-10 budget using the 5-year forecast as a tool.

GODDARD stated that the next PMT meeting will be timely as MCNEELEY stated that the 5-year projections should be reviewed every August/September and the next PMT meeting will be scheduled around that timeframe. The table will also be updated to reflect that we anticipate 1700 acres to be conveyed to the POM with resolution to future infrastructure, access issues, and if the conveyance vacation/substitution is completed north of the Village 13 site. The budget will be adjusted to reflect management and surveying of these new lands.

**7. Next PMT Meeting**

**(VII.)** GODDARD stated that the next PMT meeting has not yet been scheduled. POM staff typically works with our Policy Committee members 'schedules first in scheduling Policy Committee meetings and then works from there to schedule the PMT meetings. We anticipate the PMT to meet again in August and the Policy Committee in early September.

WALLAR asked if there were any issues working with the Policy Committee members in scheduling the Policy Committee meetings.

MCNEELEY stated that Deputy Mayor McCann has a new aide and staff is working through his aide to schedule the next meetings. The meetings should be scheduled within the next few weeks.

**8. Adjournment**

**(VIII.)** WALLAR asked if there were any public comments. Seeing no comments, the meeting was adjourned at 2:25pm.



## ATTACHMENT A

## MEETING SIGN-IN SHEET

**Project:** Otay Ranch Preserve  
Preserve Management Team (PMT)

**Meeting Date/Time:** May 13, 2009, 1:30-3:30 pm

**Place/Room:** County Administration Center, Room 212 Drake Conference Room  
1600 Pacific Highway  
San Diego, CA 92101

[illegible]